

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

RWS&S – Permission to adopt Price Adjustment Formula for variation in cost of DI pipes due to increase/decrease in the cost of Pig Iron in addition to Steel,Cement/Bitumen and POL for all ongoing and future projects– Orders – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (RWS-I) DEPARTMENT

G.O.Rt.No. 1771

Dated 26-11-2008.

READ:-

From the Engineer-in-Chief (RWS&S) Hyd. Lr.No.T1/DEE(T)/
5433/RWS&S/2008, dated 19-08-2008 and 22-11-2008

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ORDER:

In the reference read above, the Engineer-in Chief (RWS&S) Hyderabad has stated that the A.P. Water Supply Contractors Association, Hyderabad has represented that in Rural Water Supply & Sanitation Department Comprehensive water supply schemes have been taken up with Crores of rupees where DI pipes are also being used. The schemes where DI pipes are being used are not yet completed due to steep increase in the cost of DI Pipes due to increase in the cost of Pig Iron and also the Manufacturers of DI pipes are unable to confirm the supply position of DI pipes and requested to incorporate the price variation clause for DI pipes so as to enable the contractors to complete the on going and future schemes in time in Rural Water Supply & Sanitation Department. And further the Engineer-in-Chief (RWS&S) Hyderabad has informed that the Rural Water Supply & Sanitation Department is taking up several projects in the sectors of water supply under various programmes like ARWS, TFC, SMP, NABARD and HUDCO. In all the projects, price adjustment clause is applicable as per orders issued in G.O.Ms.No.292, Panchayat Raj & Rural Development (Progs.II) Department dated 28-07-2008 and G.O.Ms.No.122, Panchayat Raj & Rural Development (Progs.II) Department, dated 30-03-2008 in respect of Steel, Cement, Bitumen and POL only and in many of the water supply projects, DI Pipes are being used in Pumping Mains and Gravity mains. Many water supply projects are being taken up with DI Pipes depending on techno economic feasibility and field conditions and there is need to complete these projects on time.

2. The Engineer-in-Chief (RWS&S) has proposed the Government to accord permission following formula to adopt price adjustment for DI Pipes on par with Municipal Administration & Urban Development Department issued vide G.O.Rt.No.910, Municipal Administration & Urban Development (A2) Department, dated 21-06-2008 for all the ongoing and future projects in the Department as per the formula given below:

$$P2=P1+(CPI2-CPI1)/1000 \times M \times 0.96$$

Where

P2= Revised pipe price in Rupees per Meter.

P1= Pipe price in Rupees per Meter as per SSR/Agreement.

CPI2= Price of Pig Iron at the time of the delivery.

CPI1= Price of Pig Iron considered in estimate.

M= Weight of pipe in Kgs per Meter as per IS : 8329-1994.

0.96=0.96 MT of Pig Iron is required to manufacture 1 Mt of DI Pipes.

(P.T.O.)

:2:

3. Government, after careful examination, hereby accord permission to adopt the following price adjustment formula for variation in cost of DI pipes for BIS marked pipes only due to increase/decrease in the cost of Pig Iron as was allowed in G.O.Rt.No.910, Municipal Administration & Rural Development (A2) Department, dated 21-06-2008 prospectively subject to fulfilling all other the terms and conditions of the agreement.

$$P2 = P1 + (CPI2 - CPI1) / 1000 \times M \times 0.96$$

Where

P2= Revised pipe price in Rupees per Meter.

P1= Pipe price in Rupees per Meter as per SSR/Agreement.

CPI2= Price of Pig Iron at the time of the delivery.

CPI1= Price of Pig Iron considered in estimate.

M= Weight of pipe in Kgs per Meter as per IS : 8329-1994.

0.96=0.96 MT of Pig Iron is required to manufacture 1 Mt of DI Pipes.

4. The Engineer-in-Chief (RWS&S) Hyderabad is requested to take necessary further action accordingly.

5. This order issues with the concurrence of Finance (Expr.PR&RD) Department vide their U.O.No.26311/361/Expr.PR&RD/08 dated 23-09-2008.

6. A copy of this order is available on the internet and can be accessed at the address <http://www.ap.gov.in/goir>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MRUTUNJAY SAHOO,
PRINCIPAL SECRETARY TO GOVERNMENT.

To

The Engineer-in-Chief (RWS&S) Hyderabad.

Copy to

The Finance (Expr. PR&RD) Department.

The O.S.D to M (RWS)

The P.S. to Principal Secretary to C.M.

The P.S to Principal Secretary to Government (RWS&S)

The P.A to Joint Secretary to Government (Progs.)

SF/SCs.

//FORWARDED : : BY ORDER//

SECTION OFFICER.